

ORIGINAL



198589

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB EX PARTE No. 582 (Sub-No. 1)

MAJOR RAIL CONSOLIDATION PROCEDURES

COMMENTS OF THE PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

ENTERED
Office of the Secretary

MAY 16 2000

Part of
Public Record

By Advance Notice of Proposed Rulemaking, the Surface Transportation Board has requested comments on possible modifications to its regulations governing major rail consolidations. The Port of Corpus Christi Authority of Nueces County, Texas (hereafter "Port" or "Port of Corpus Christi"), respectfully submits the following comments in response to the STB request:

The Port of Corpus Christi is a self-supporting public authority which owns or operates over \$132,000 million in dry bulk cargo facilities, liquid bulk cargo facilities, general cargo docks and a grain elevator for cargo which has a prior or subsequent movement by rail. To serve its dry bulk, liquid bulk, and general cargo customers in getting their cargo to market, the Port has had constructed and owns 28 miles of railroad tracks which are leased to the Corpus Christi Terminal Railroad, Inc. ("CCTR") for operation, and offered on an open access basis to the three railroads serving the Port.

The Port is currently served by two Class I railroads, the Union Pacific/Southern Pacific and the Burlington Northern Santa Fe. The UP/SP and the BNSF are head-to-head competitors in the major marketing areas of the West and Southwest, including Corpus Christi. In addition, the Port is served by a regional railroad, The Texas Mexican Railway Co., which like the UP/SP and BNSF, has unrestricted access to the Port.

As a member of the American Association of Port Authorities ("AAPA"), the Port has reviewed the comments submitted by the AAPA in this proceeding and fully supports the recommendations contained therein. Ports are, along with the railroads, an essential part of the transportation infrastructure for both

international and domestic commerce. With approximately 95% of all imports and exports into and out of the United States moving by water, ports are essential to the nation's economy and defense, and have a major strategic role in our country's well-being and safety. Thus, the micro- and macro-economic impact and effect on ports of major rail mergers must be given the serious consideration by the Board in all major rail merger proceeding.

Because of the critical role that ports play in U.S. domestic and foreign commerce and national security, the Port of Corpus Christi would especially like to emphasize one of the recommendations made by the AAPA, and that is to suggest that reference to "the interests of affected ports" be specifically included as a new and separate criteria "(vi)" in 49 C.F.R. §1180.1(b)(1). The essential role of the ports in our nation's economy, commerce, and defense clearly requires that review of mergers of major railroads give specific and direct consideration as to the impact of the merger on ports. Ports are not seeking special consideration, but only to be allowed to compete in serving domestic and international customers, enhancing the benefits for surrounding communities, and obtaining a return on the huge public and private investment made in port facilities. To insure that investment will continue to be made in port facilities and port infrastructure to meet the growing needs of international trade, planning of and commitment to which takes years, ports should be specifically included in §1180.1.

Thank you for your consideration of these comments.

Respectfully submitted,

Paul D. Coleman

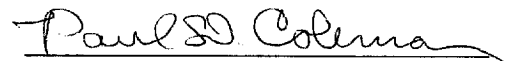
Paul D. Coleman
Hoppel, Mayer & Coleman
Suite 400
1000 Connecticut Avenue, N.W.
Washington, D.C. 20036
(202) 296-5460

Attorneys for:
Port of Corpus Christi of
Nueces County, Texas

May 16, 2000

CERTIFICATE OF SERVICE

I, Paul D. Coleman, hereby certify that, on this date, May 16, 2000, a true and correct copy of the foregoing was served by mail, first class, postage pre-paid to all parties of record.


Paul D. Coleman